the funds have been empowered to invest in risk instruments also subject to the assessment of risk-return trade off by the trustees.

Loans Extended to Industrial sector by Banks

29. SHRi GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

(a) the details of the loans extended to the customers in the industrial sector by the Nationalised Banks;

(b) whether any study has been conducted by the Ministry to know the problems being faced by the customers, both small and big, in getting loans sanctioned from Nationalised banks;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Reserve Bank of India (RBI) have reported that outstanding loans to industrial sector (small, medium and large scale) by Nationalized Banks as on November 26, 2004 was Rs. 161315 crores.

(b) and (c) RBI have further reported that from time to time, different Committees/Groups have looked into the problems being faced by bank's customers. Recently, a Working Group on Flow of Credit to Small Scale Industries (SSI) Sector (Chairman Dr. A.S. Ganguly) has examined the problems being faced in increasing the flow of credit to SSI sector and some recommendations of the same have been implemented by RBI. The measures recently taken by RBI to improve the credit flow to SSI sector include.

- Banks to identify new clusters and adopt cluster-based approach for financing Small and Medium Enterprises (SME) sector.
- Lead Banks to consider sponsoring specific projects as well as widely publicise the successful working models of NGOs.
- Banks operating in the North East Region encouraged to consider sanctioning higher working capital limits to SSIs for maintaining higher level of inventory.

- Banks to explore new instruments for promoting rural industry and to improve the flow of credit to rural artisans, industries and rural entrepreneurs.
- To enhance the composite loan limit for SSI entrepreneurs from Rs. 50 lakh to Rs. 1 crore.

(d) Does not arise.

Functioning of Tamil Nadu Mercantile Bank

30. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Tamil Nadu Mercantile Bank is recognized and registered with the RBI;

(b) if so, whether RBI monitors its functions to some extent;

(c) whether it is also a fact that over the last three years, there has been instability in the functioning of bank;

(d) whether RBI has noted the various problems plaguing the management of this Bank; and

(e) what steps RBI proposes to take to upgrade the managements of all such banks, which are registered with the RBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) The information is being collected and will be laid down on the Table of the House to the extent available.

Financial Assistance to Karnataka for cleansing of Balance sheets of Co-operative Structure

31. SHRIMATI PREMA CARIAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether the Ministry of Finance has received any proposal from the State Government of Karnataka for sanction of financial assistance required to cleanse the Balance Sheet of the co-operative structure; and

(b) if so, the status of the same and the reasons for the delay, if any? .